

Milwaukee Nonprofit Needs Assessment Survey Findings

March 2020

Pivot



Helen Bader Institute for
NONPROFIT MANAGEMENT
at the University of Wisconsin-Milwaukee

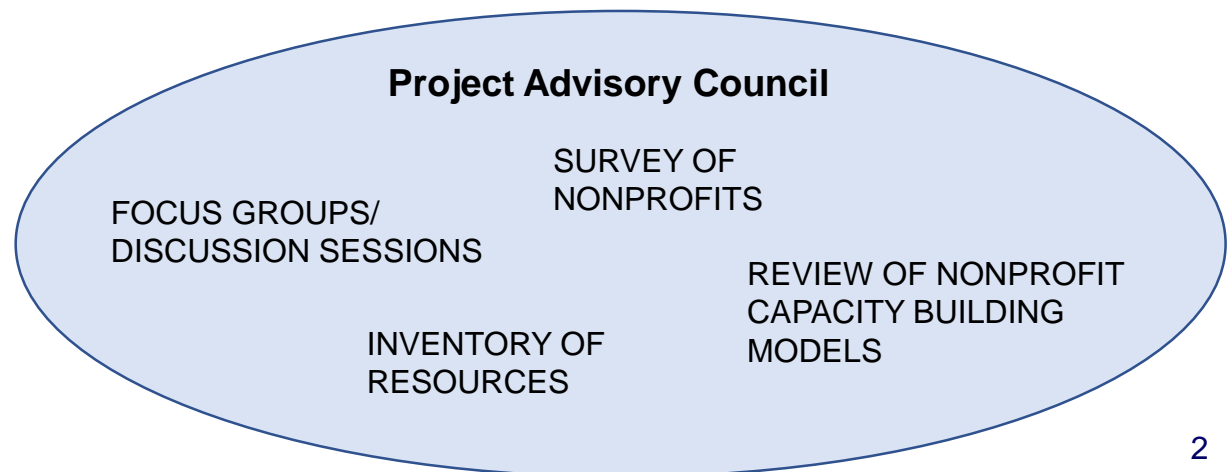
With generous support provided by:



 **Northwestern
Mutual®**
Foundation

Nonprofit Needs Assessment *Project Purpose & Approaches*

- What are the **greatest priority needs** of Milwaukee area nonprofits?
- How do we leverage and coordinate the **resources available** in our community?
- Is there a **financially sustainable service model** that could have the impact needed by Milwaukee-area nonprofits?



Nonprofit Survey Topics

- Organization Demographics/ Characteristics
- General Management & Administration
- Strategy/Planning
- Programs & Services
- Evaluation
- Governance & Board
- Financial Management & Oversight
- Staffing/Staff Management
- Volunteers/Vol. Management
- Board & Staff Diversity
- Facilities
- Marketing
- Revenue/ Fund Development
- Advocacy/ Public Policy
- Technology
- Partnerships & Collaboration

Survey Respondents

Over 250 responders

- 1 response per nonprofit
- Not all responded to all questions

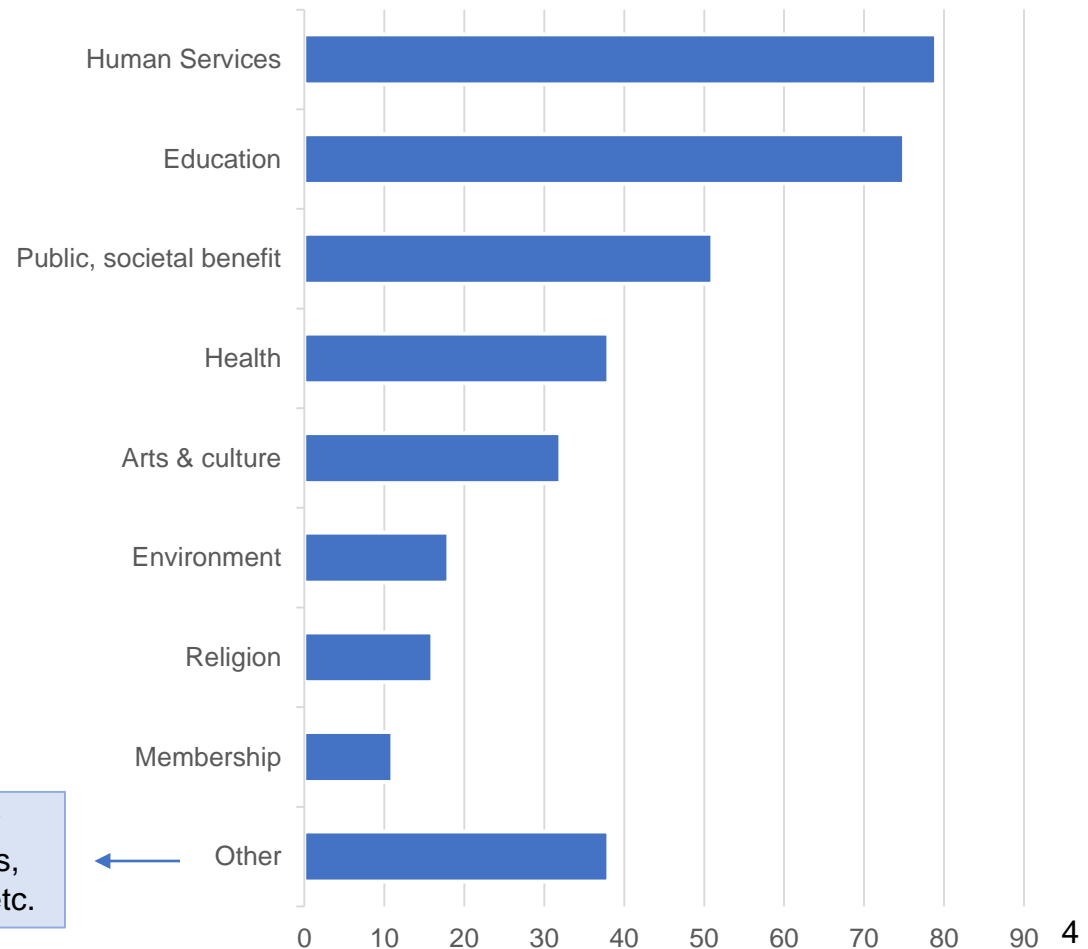
36% were founded in 2000 or later

- This is higher for smaller nonprofits (58%)

Economic or Community Development, Disabilities, Housing, Youth Devel., etc.

Mission Area

Some nonprofits address more than one area.



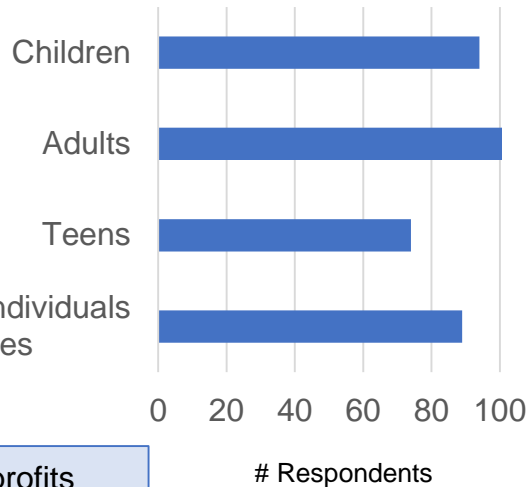
Survey Respondents

Budget Size: ~50% with revenue / expenses at <\$1 million (smaller nonprofits)

- Only half of respondents provided budget data

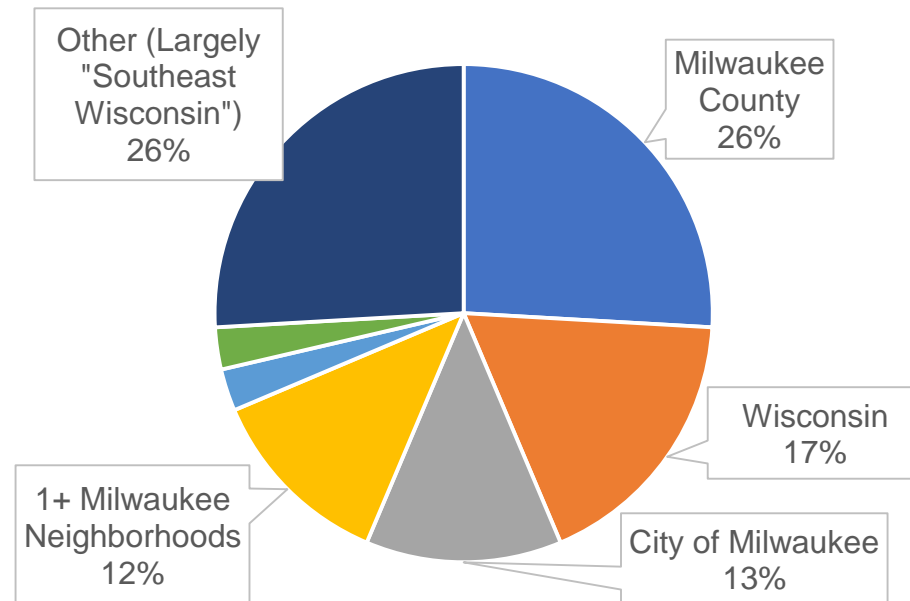
Demand for Services: For 62% of respondents, demand has increased. For another 20%, it has stayed the same.

Primary Constituent Groups Served



Some nonprofits noted serving more than one group.

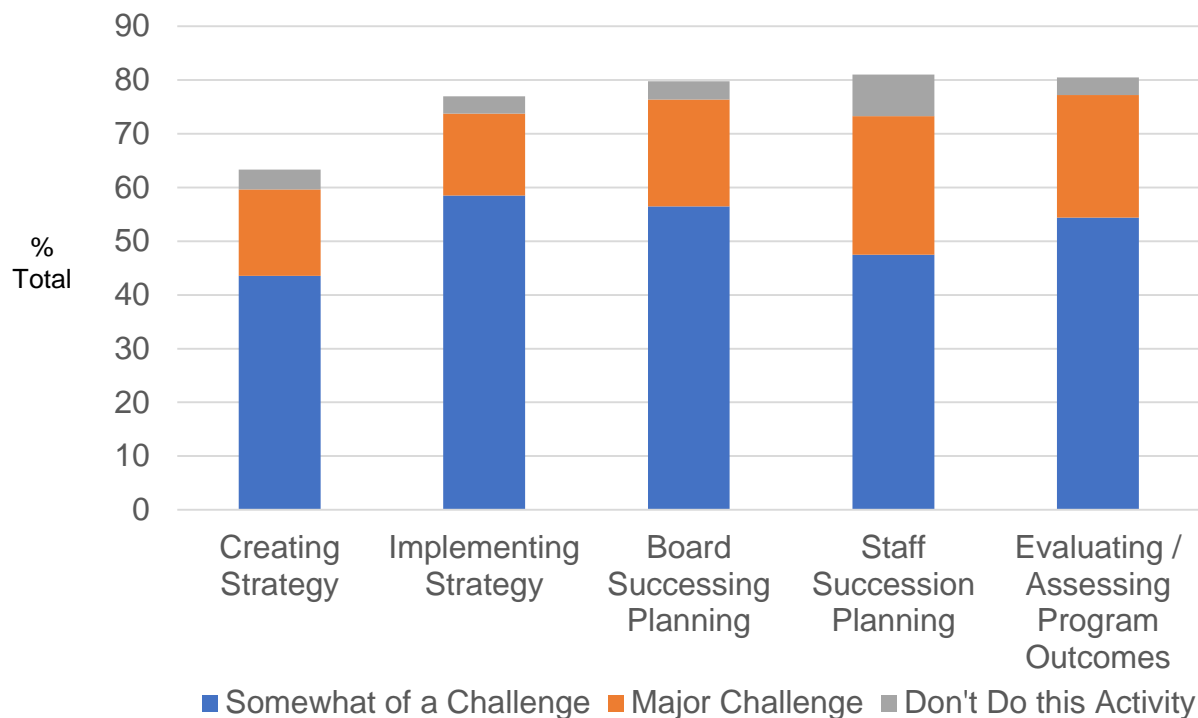
Geographic Area Served





Management & Program Planning

Most Challenging Activities



25% of respondents have no **staff succession** plan.

20% do not have a **board succession** plan.

Evaluations are common (77%) yet only 15% of respondents use outside help to evaluate programs.

Nearly 50% of respondents are **not satisfied** with management and evaluation activities.

Management & Program Planning

Voices from the Sector

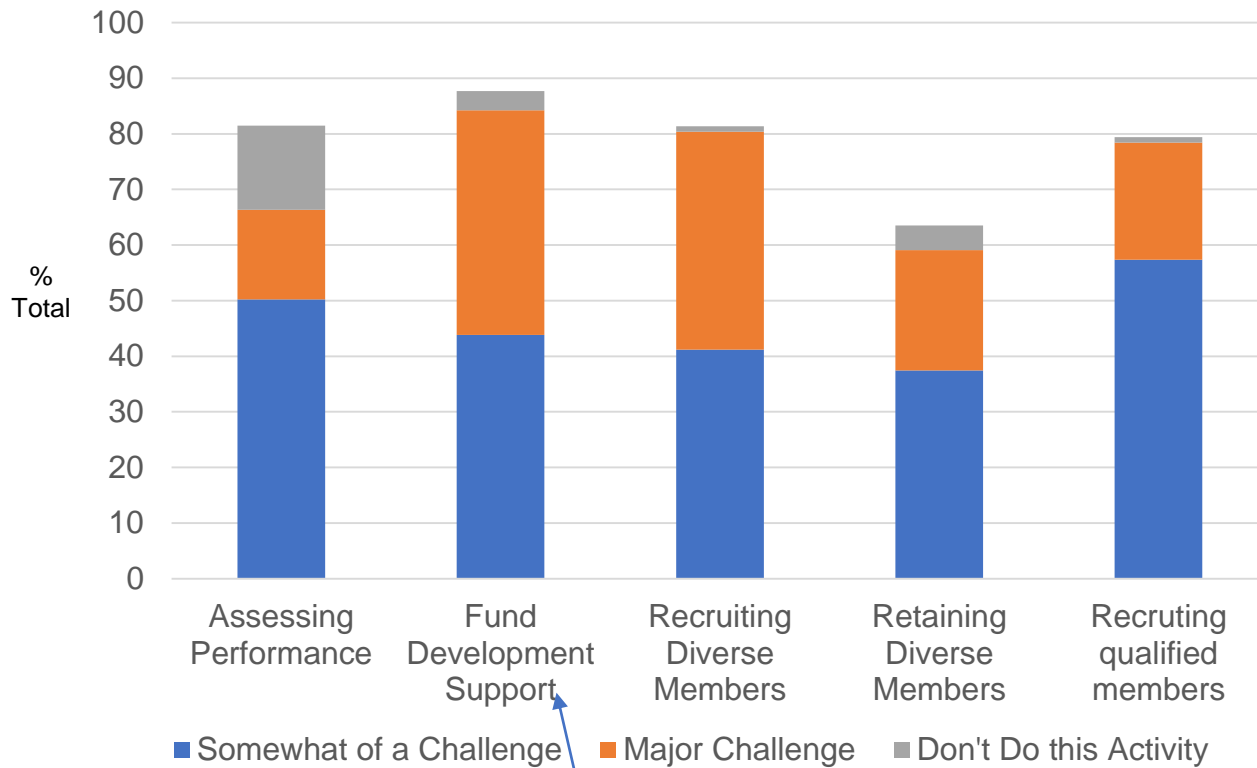


- A lack of support in managing the administrative activities of our organization greatly impacts our ability to produce and promote our programming.
- We would like to do more substantive strategic planning, program assessment, and formal professional development at several staff levels but lack of financial resources is the barrier.
- Like many nonprofits, we are often too busy with service delivery to step back and evaluate structure and programs.
- Our organization does not properly utilize data to evaluate efforts and help inform the decision making.
- I would like to have better systems in place to monitor progress.
- Our organization would like to evaluate its effectiveness different than what most of our current funders require. We want to know if and how we are moving the needle...not just counting how many people were served.
- We do not have the time or internal expertise to do more than we are currently.



Board Management

Most Challenging Activities



Even higher for smaller nonprofits

Least challenging areas

- Financial oversight
- Retaining qualified members
- Defining mission impact & board / staff relations

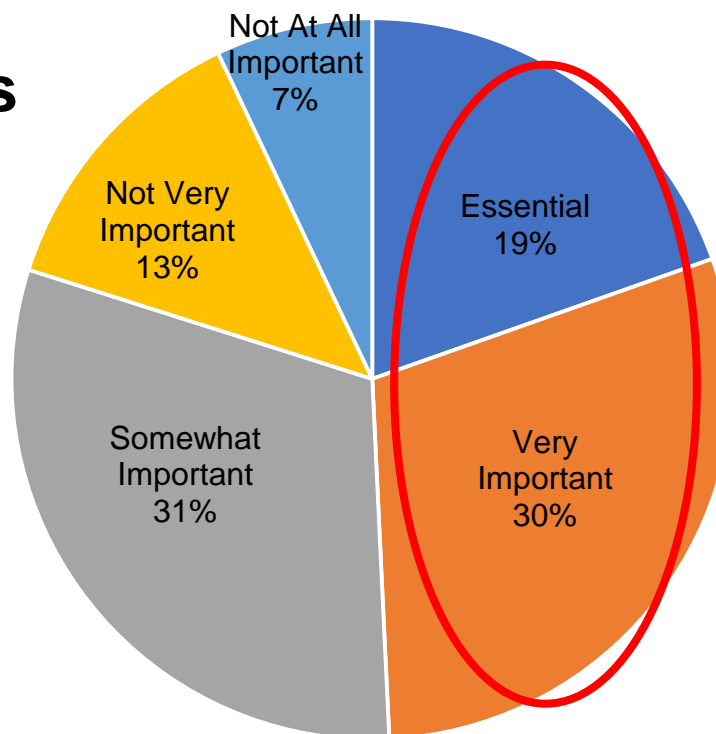
Only 54% of respondents report that the board **reflects the community served.**



Volunteer Management

Greatest Challenges

- Recruitment & Retention
- Assessment & Performance Management
- Recognition & Appreciation



For nearly half of respondents, volunteers play a critical role in the organization.

60% of respondents are satisfied with their volunteer management.



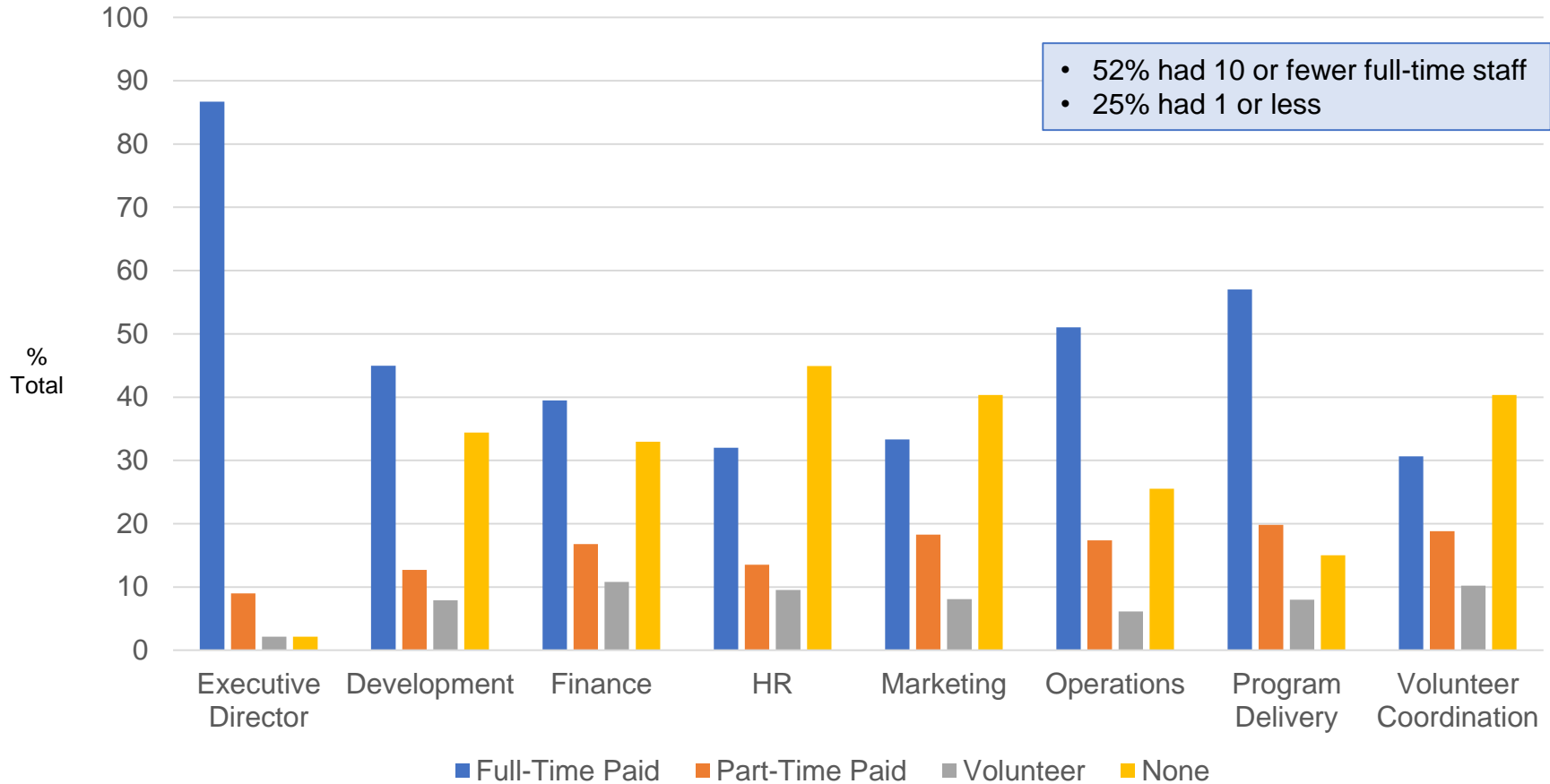
Volunteer Management

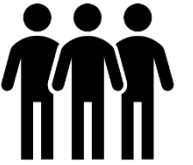
Voices from the Sector

- We have a real problem recruiting volunteers, and then having them dependable.
- We've got great volunteers, but we need a better organizational approach to orienting them, making them feel appreciated, retaining them, etc.
- Would like to have more resources to manage volunteers.
- We now have more volunteer opportunities, but do not have the staff capacity to build a sustainable volunteer program.
- We have no tracking system of who volunteers and when.
- There is currently no designated staff person to manage volunteers. It is done by individual managers within the organization and does not have a formalized process.



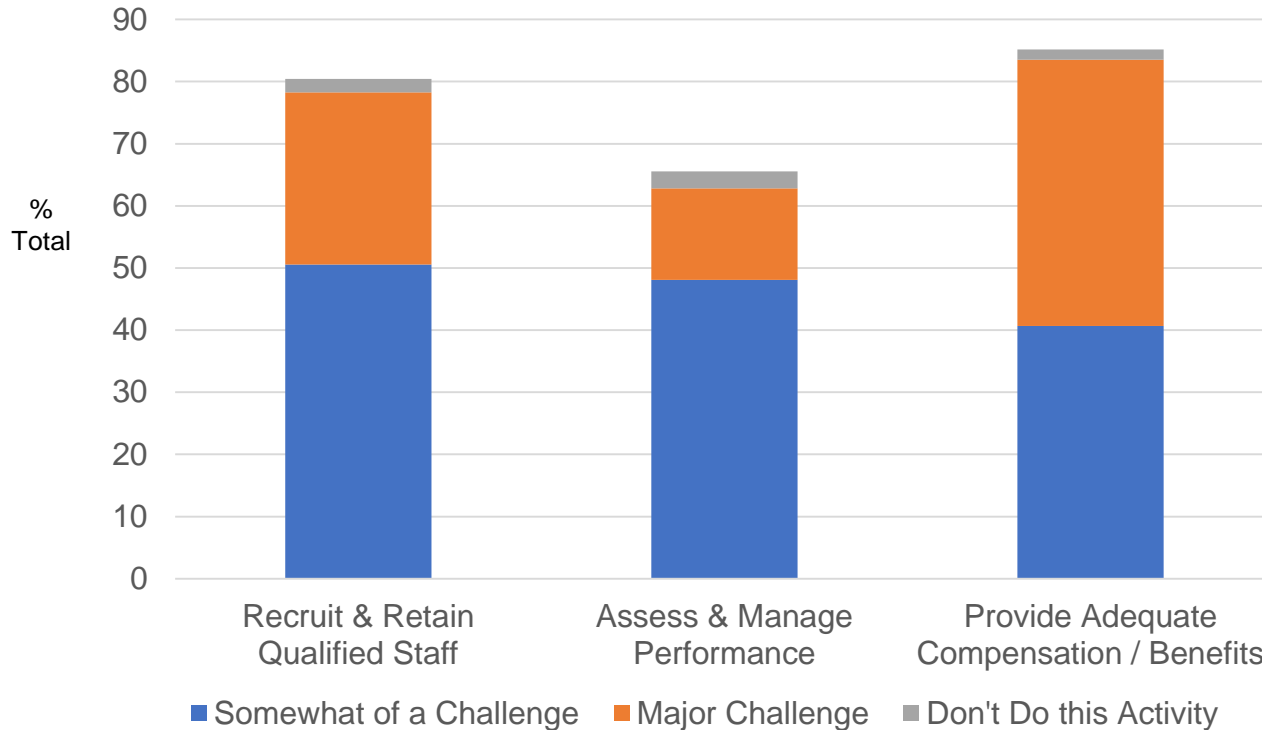
Employee Management *Positions by Employment Status*





Employee Management

Most Challenging Activities



70% believe **staff reflects the population** served (15% greater than board).

71% of respondents provide **training / development** opportunities to staff (only 58% of smaller nonprofits).

Adequate **compensation & benefits** are more challenging for smaller nonprofits to provide.

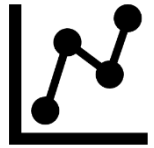
Though 60% of respondents are **satisfied** with the status of their human resources, comments indicate **challenges** with recruiting and retaining qualified staff as well as board and volunteers.



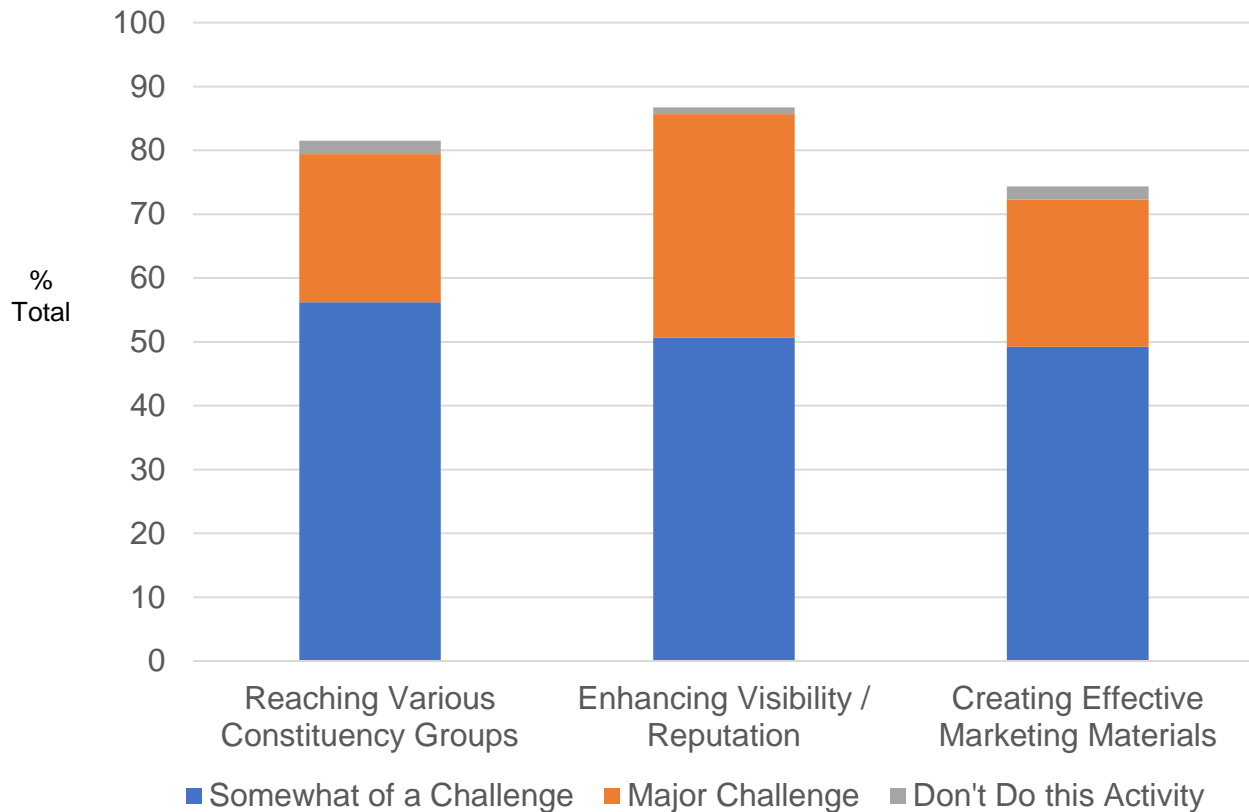
Employee Management

Voices from the Sector

- The organization does not have a Human Resources function due to fiscal constraints.
- We need better financial resources in order to acquire all of the benefits and compensation that our employees deserve AND to attract and retain additional employees.
- Always reacting to employee situations rather than being proactive and using workshops, trainings to prevent issues.
- ED would like better training in activating employees and coaching them; would like to think about a team-based structure that alleviates some of the burden from the ED without creating unnecessary hierarchy or reinforcing inequitable power structures.
- We are starting to focus on the mental health needs of our staff, many who have experienced and continue to experience significant trauma. Doing HR the traditional way simply does not work for us, we need to be much more focused on the personal needs of our employees.
- Board is not developed enough to review staff needs.
- We've outsourced the work...but one big challenge is that they do not post jobs, recruit, interview, or retain employees, this is something I'd like to see as part of their services.
- We are drowning, due to the program acquisition, staff doubled in size.
- We would benefit from more training and development, retention in key program delivery areas, infrastructure development.



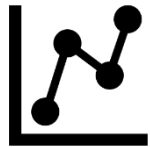
Marketing *Most Challenging Activities*



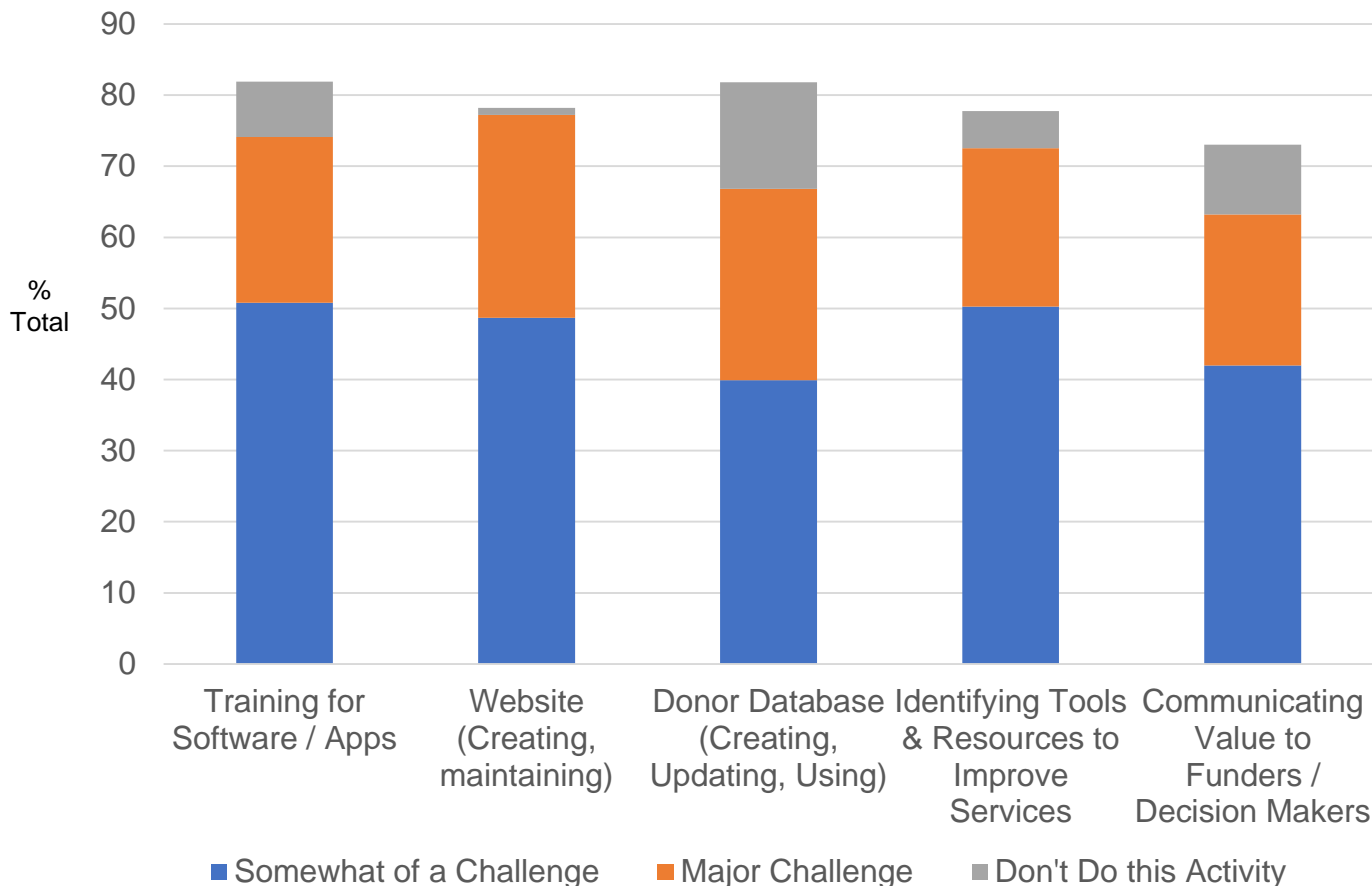
Least challenging area: attracting new members / clients (this is consistent with increases in demand for services).

60% are not satisfied with marketing and technology efforts.

Nonprofits view marketing as tied to fund development.



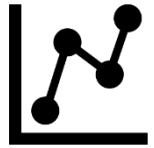
Technology *Most Challenging Activities*



42% of respondents never / rarely use a **CRM / donor database**.

Getting help with IT problems was more polarizing (~30% reported it was not a challenge while 25% reported it is a major challenge).

Identifying tools/ resources, communicating value to funders / decision makers, and getting help with IT problems is significantly **more challenging in smaller nonprofits**.



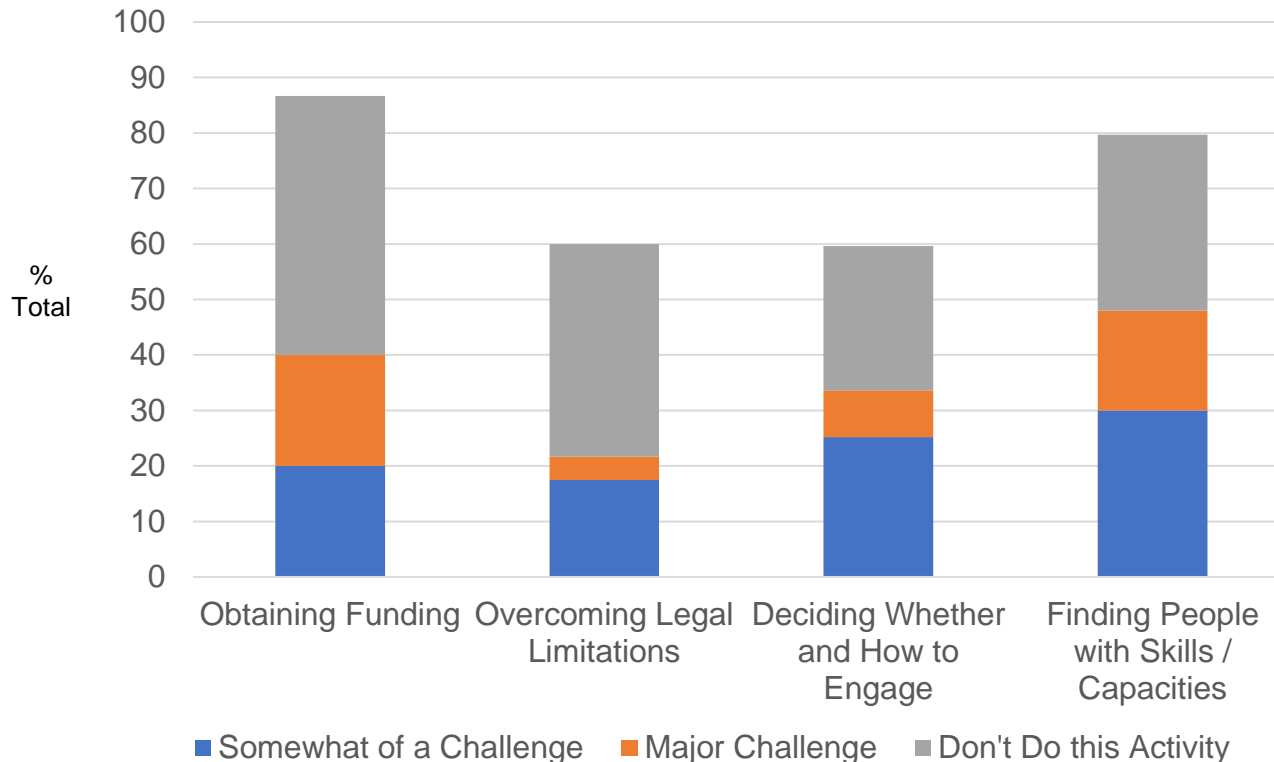
Marketing & Technology

Voices from the Sector

- Because we are small, we often don't take the time (or don't have the time) to be intentional about developing a strategy to address this area.
- Marketing is just a guessing game. Have no data on what works, what our audience wants.
- Our staff lacks the knowledge and bandwidth to effectively and efficiently maximize marketing tools at our disposal. We struggle to create brand awareness in the community which has an impact on our ability to grow community support.
- We rely heavily on consultants in the areas of marketing and technology. Managing communication with consultants has been difficult, as well as ensuring that the individual / team members managing the consultants has enough knowledge / insight to be able to oversee the function effectively and flag issues in advance.
- There are not clear boundaries between development, marketing, and outreach nor have we had enough staff support in any of those arenas which has created inconsistent performance and role confusion.
- Funders do not want their support to be used for "overhead" which is fundamentally needed in order to deliver programming.
- Currently using volunteer assistance / knowledge and need to find the expertise and reliable resources to help transition to better IT management.
- We fall way short in our deployment of secure and up to date technology. Support funding is always difficult.
- It would be wonderful to have access to IT services that fit a small nonprofit, like perhaps paying into a group that then uses a particular IT service. Most bare bones "peace of mind" packages are too much for a small nonprofit, and we end up skimping and going without the right technology and protections.



Advocacy & Public Policy *Most Challenging Activities*



Over 60% of respondents engage in advocacy or public education activities. Most do not use a lobbyist.

Smaller nonprofits' engagement in advocacy is **slightly higher** than for respondents overall.

Many are satisfied with their advocacy and public policy activities (70%).

Reported levels of challenge are lower for this area than other areas and fewer nonprofits – a 37% dip – responded to specific questions about advocacy challenges.



Advocacy & Public Policy

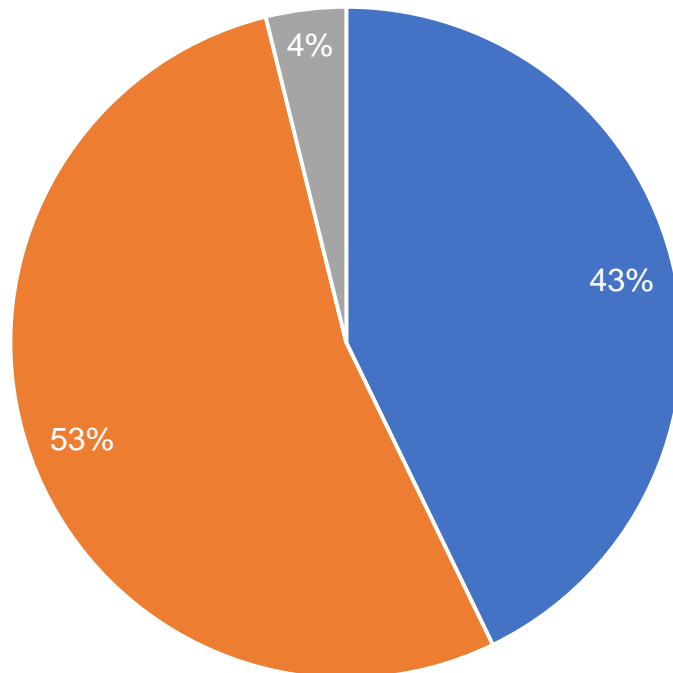
Voices from the Sector

- Other than a very limited scope of specific local issues, our board of directors has hesitated to take any policy stands on City-wide or larger policy issues that affect our community and our organization.
- We have many women and families who wish to receive training and support to advocate on behalf of our organization and for...issues. We need funding and grant writers.
- I always think organizations can do more in terms of advocacy, even if it's involvement in a local or statewide group that specializes in advocacy.
- We have been too tentative in reaching out to elected officials about critical issues that can and will affect the people we serve. Our reluctance to do so has been primarily that we will alienate donors by doing so.
- We would like to grow in this area and have metrics in place in our current strategic plan to gain traction and measure results.
- I think we can and should do more advocacy, but there is not agreement on the board.
- We would be interested in doing more, but we have zero experience or background.



Relationships with Other Organizations

Types of Collaboration



■ 1+ Formal Collaborations ■ 1+ Informal Networks ■ Neither

Collaborations / networks make it easier to:

- Enhance visibility / reputation (84%)
- Reach more clients (72%)
- Achieve client outcomes / impact (72%)
- Deliver programs / services (70%)

A large portion of respondents are satisfied with their collaborations (76%).

Collaborations for organizations with larger budgets make it easier to recruit / retain board members and volunteers.

Qualitative comments tend to question the benefits of collaboration in Milwaukee.

Relationships with Other Organizations

Voices from the Sector

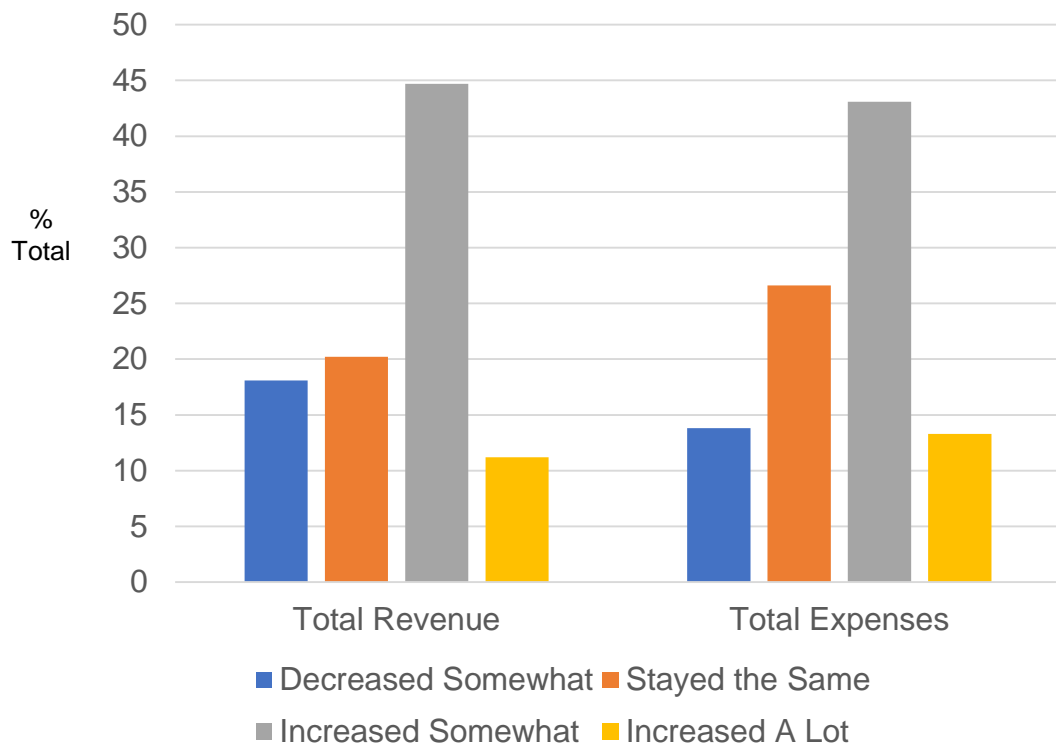


- Much time is spent with little reward. Granting organizations say they wish to see collaboration but seldom fund collaborative grants.
- There is a ton of territorial behavior with certain groups.
- There is something unique about our city where effective collaboration is more difficult to achieve than in other places. I've seen two orgs with the same missions literally undercut each other rather than collaborate to move the ball forward. This is a huge problem that has created so many nonprofits in our city, which has exacerbated the feeling of scarcity that our city / region already feels.
- Although we partner with many organizations, I would like us to have more strategic partnerships that address the capacity gaps in our organizations (ie: shared services, program evaluation, etc.).
- Collaboration is time intensive and often falls to the end of the list.
- Open to creating more partnerships in the nonprofit sector.



Finance & Revenue

Change in Revenue & Expenses (last 24 months)



- Foundation Gifts / Grants
- Individual Donations
- Corporate Donations
- Government Grants
- Special Events
- Dues / Membership Fees
- Private Sale of Goods / Services

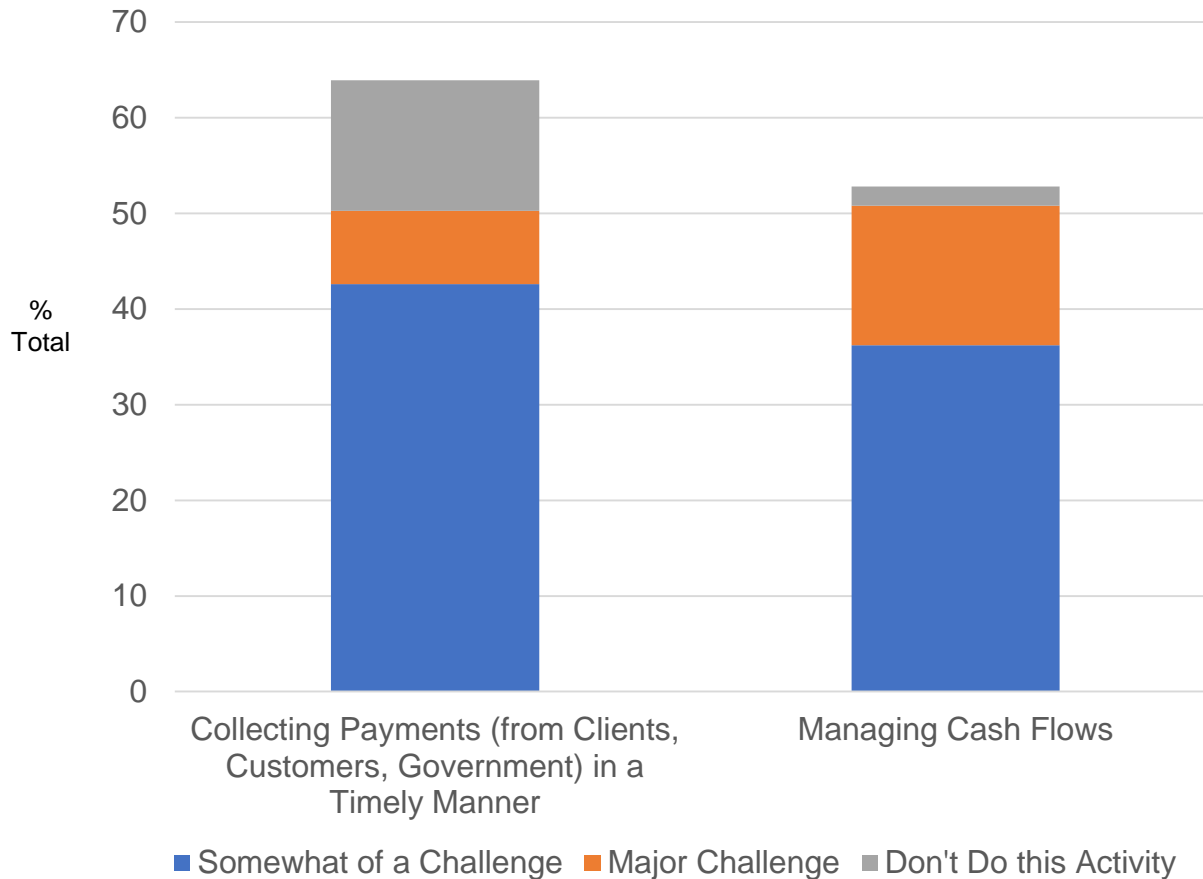
Largest share of budget



Smallest share of budget



Finance & Revenue: *Most Challenging Activities*



Creating budgets and financial statements is not a challenge for most (62%) respondents.

On average, 50% of expenses went toward **staff compensation** and benefits.

Slightly over 60% of respondents are **satisfied** with the organization's finance / revenue status.

Qualitative comments indicate unease in this area.

Finance & Revenue

Voices from the Sector

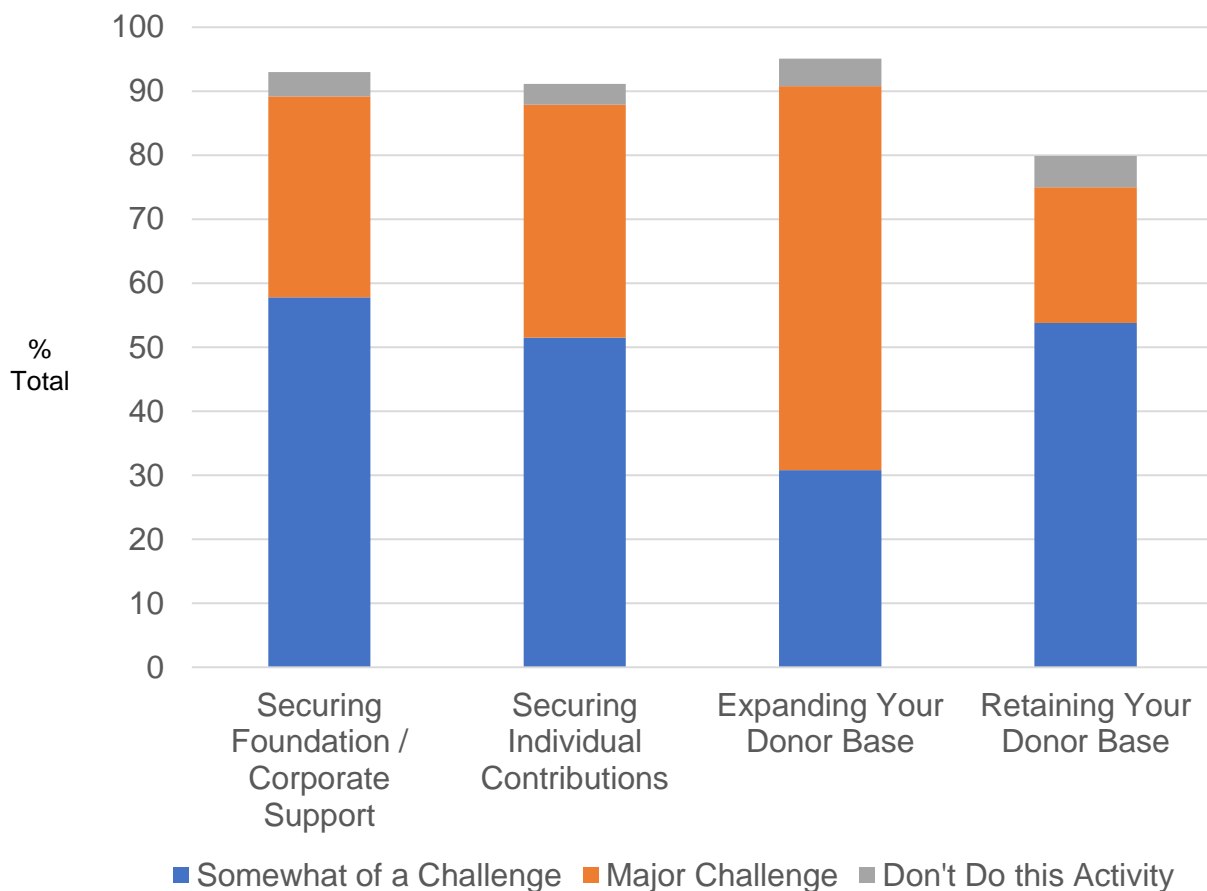


- I would like to do more to educate board about nonprofit finance and how to read / understand our financial statements.
- Very difficult to find nonprofit bookkeeping service – lots of for-profit accountants.
- We have major cash flow issues that seem to get worse as we grow larger.
- Timely reports are not timely. No financial analysis. Just bookkeeping.
- Concerned about the expense of financial management staff member in a small organization. If staff leaves, not sure how it would get done.
- We are paying high cost for external and it isn't meeting our needs. We have so much to grow in this area internally.
- We need to build up a reserve fund for the organization.
- We need to balance our budget!
- We need to get better at diversifying and growing our revenue base in order to have an adequate staffing structure.
- We're exploring ways to start applying for grants and diversify our funding streams.
- We need board, staff, volunteers who know ways to go about raising revenue. We need easy to read documents that show us how we are doing financially over time.



Fund Development

Most Challenging Activities



Relative to other mission areas:

- Human service organizations are more dependent on government grants.
- Religious organizations are more reliant on individual contributions.

66% of respondents are not satisfied with their fund development status.

Larger nonprofits were more likely to obtain revenue from trusts / bequests and donor designated funds.

Smaller nonprofits experience greater challenges in nearly all areas of fund development.



Fund Development

Voices from the Sector

- We need proper software to trace foundation, corporate, federal, and state grants. Also, a membership to a website which directs us to proper grants for our organization.
- Our staff costs are hard to fund, more and more difficult to find grant money, always looking for dollars, stressful, draining, and demoralizing.
- We struggle to activate our board effectively to leverage significant dollars to support our work. We often fall short of development targets, have suffered from board attrition, and struggle to launch an individual donor portfolio.
- Finding the talent in this area and identifying prospects / nurturing the relationships with the future pipeline of funders is an area of growth.
- Hard to navigate the ever-changing priorities / expectations of foundations / corporations.
- We do a decent job of getting government and foundations grants, but don't have a network of high-wealth donors and corporate contacts, so these categories are an uphill battle. Additionally, as far as government and foundation grants, we struggle as do all nonprofits with not securing enough funding to cover our "administrative" costs. Especially for a small nonprofit, these are essential to being able to offer programs.
- It is very difficult to promote the population that we serve to potential funding sources.
- We need to be attracting younger donors. We don't have good branding.
- We have been slow to invest in our internal infrastructure in the area of fund development due to capacity and support from our Board. We have also suffered from turnover in this area due to the demands of fund development in a smaller and growing organization.

Overall Trends

- Demand for services increased for the great majority of nonprofits over the last two years.
- Challenges in all areas were indicated although some more than others.
- Smaller nonprofits tend to experience greater challenges in nearly all areas.
- Different forms of assistance for addressing challenges are available, to varying degrees.

Summary of Priority Nonprofit Needs



Fund Development

- Staff / board time & expertise
- Access to, developing and stewarding donors
- Securing unrestricted funding
- Determining the right diversification of revenue



Marketing & Technology

- Raising awareness / visibility
- Selecting and implementing the right tools



Organizational Management

- Developing & implementing strategy
- Succession planning
- Program evaluation



Human Resources

- Board, staff & volunteer recruitment & retention
- Staff compensation
- Board diversity

What's Next?

- Disseminate results, post findings
- Discussions, focus groups
- Draft capacity building priorities (with Advisory Council), offer recommendations for service delivery model

Want to continue the conversation? We invite you to connect with Project Pivot by emailing Shelly Schnupp (shelly@pivotwi.org) with your questions and insights.